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The FEED SITUATION

1955 OUTLOOK ISSUE
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1954

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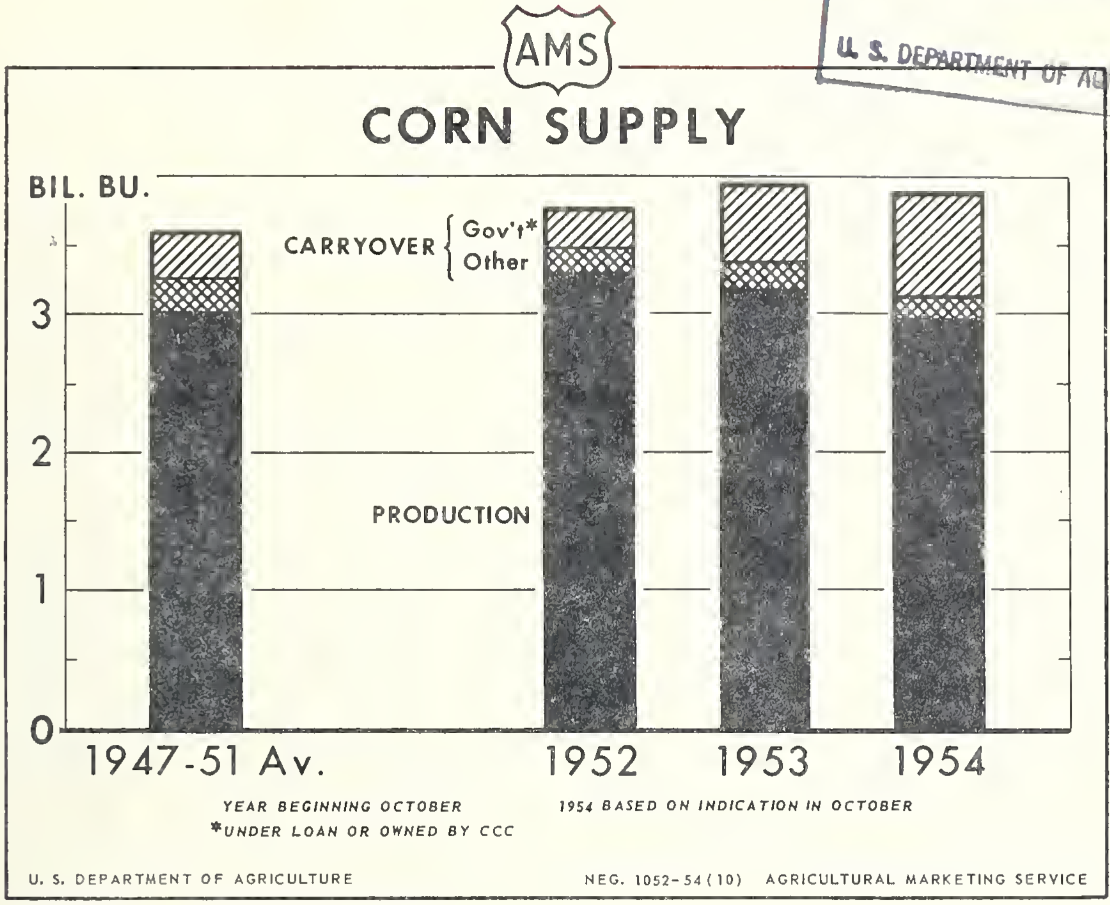

The 1954-55 corn supply, estimated on October 1 at about 3,850 million bushels, is slightly smaller than in 1953-54, but 7 percent above the 1947-51 average. The 1954 crop of 2,950 million bushels is a little below average and 227 million less than last year. On the other hand, record stocks were carried over on October 1, most of which is under loan or owned by CCC. Total disappearance of corn is expected to exceed the 1954 production, resulting in a smaller carryover on October 1, 1955. While corn supplies are smaller, supplies of oats, barley, and sorghum grains all are much larger than in 1953-54, and a larger carryover of these grains is in prospect next year.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

AGRICULTURE - WASHINGTON

Table 1.- Statistical Summary

PRICES

Item	Unit	1952		1953		1954		
		Aug.	Sept.	Aug.	Sept.	July	Aug.	Sept.
		Cents	Cents	Cents	Cents	Cents	Cents	Cents
Grains and Hay								
Corn, No. 3 Yellow, Chicago	Bushel	180.8	176.0	160.3	165.8	161.4	165.2	163.9
Price received by farmers, U. S.	Bushel	173.0	171.0	148.0	150.0	150.0	153.0	153.0
Oats, No. 2 White, Chicago	Bushel	88.2	93.2	77.9	77.3	74.2	77.2	78.6
No. 2 White, Minneapolis	Bushel	85.8	87.6	74.5	73.0	71.5	69.9	74.8
Price received by farmers, U. S.	Bushel	80.0	83.5	71.7	71.4	66.8	67.5	71.1
Barley, No. 3, Minneapolis	Bushel	164.8	148.0	137.4	134.4	132.3	129.0	132.8
Price received by farmers, U. S.	Bushel	139.0	143.0	110.0	112.0	100.0	101.0	105.0
Grain sorghums, price received by farmers, U. S.	100 pounds	290.0	302.0	242.0	226.0	220.0	222.0	216.0
Wheat, No. 2 Hard Winter, Kansas City	Bushel	232.3	240.9	217.5	221.7	232.4	235.2	238.9
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Hay, No. 1 Alfalfa, baled, Kansas City	Ton	35.00	36.00	30.00	30.20	25.00	28.00	28.00
Price received by farmers, baled, U. S.	Ton	24.10	25.00	20.60	20.90	19.90	21.20	22.00
Byproduct Feeds (bagged)								
Standard bran, Minneapolis	Ton	56.75	54.80	43.50	40.90	39.90	39.00	39.50
Buffalo	Ton	63.25	60.00	50.40	47.70	46.60	45.80	44.60
Price paid by farmers, U. S.	100 pounds	3.74	3.77	3.24	3.11	3.03	3.04	3.01
Standard middlings, Minneapolis	Ton	61.10	56.30	44.60	41.40	41.75	40.60	41.10
Buffalo	Ton	64.35	61.80	51.00	48.20	49.25	48.10	48.90
Price paid by farmers,. U. S.	100 pounds	3.95	3.96	3.39	3.26	3.28	3.23	3.18
Cottonseed meal, 41 percent protein, Memphis	Ton	83.50	86.05	62.60	58.00	68.90	71.55	65.60
Linseed meal, 36 percent protein, Minneapolis	Ton	83.25	83.25	63.25	64.00	63.00	63.70	64.75
28 percent protein, San Francisco	Ton	93.00	93.50	79.00	79.00	72.00	77.50	73.00
Soybean meal, 44 percent protein, Chicago	Ton	94.70	94.70	73.15	70.65	104.20	98.35	78.90
Price paid by farmers, U. S.	100 pounds	5.85	6.08	4.72	4.60	5.77	5.80	5.52
Peanut meal, 45 percent protein, S. E. milling points	Ton	95.30	100.00	68.20	67.50	83.30	83.30	78.90
White hominy feed, Chicago	Ton	67.75	65.80	57.85	58.30	53.10	58.10	60.00
Gluten feed, 23 percent protein, Chicago	Ton	67.00	67.00	51.00	50.40	55.00	55.00	53.50
Tankage digester, 60 percent protein, Chicago	Ton	116.85	120.75	88.75	90.00	115.60	111.55	106.90
Meat scraps, 50 percent protein, Chicago	Ton	116.80	120.50	88.60	89.75	116.35	110.25	102.40
Fish meal, 67 percent protein, San Francisco	Ton	160.75	160.75	160.00	148.10	150.75	149.75	149.10
Alfalfa meal, No. 1 fine, Kansas City	Ton	58.10	56.20	41.00	39.05	43.50	43.85	43.50
Mixed dairy feed, 16 percent protein, price paid by farmers, U. S.	100 pounds	4.33	4.37	3.94	3.87	3.81	3.84	3.84
Laying mash, price paid by farmers, U. S.	100 pounds	5.30	5.35	4.84	4.80	4.97	4.96	4.90
Scratch feed, price paid by farmers, U. S.	100 pounds	4.65	4.65	4.34	4.32	4.32	4.32	4.30

INDEX NUMBERS OF PRICES

		Percent	Percent	Percent	Percent	Percent	Percent	Percent
Feed grains, price received by farmers, U. S.	1910-14=100	250	251	213	215	211	214	217
Eleven principal high-protein feeds, terminal markets	1935-39=100	314	303	221	215	270	264	235
Five oilseed meals	1935-39=100	332	315	222	215	280	274	238
Tankage, meat scraps, and fish meal	1935-39=100	266	273	218	212	263	247	228
Gluten feed, brewers' dried grains, and distillers' dried grains	1935-39=100	268	268	216	217	225	228	225
Feed, price paid by farmers, U. S.	1910-14=100	252	254	222	220	224	226	226

LIVESTOCK-FEED PRICE RATIOS

	(Sept. averages)								
Hog-corn, Chicago	1933-52=12.7	Bushel	12.1	11.5	15.2	14.9	13.9	13.5	12.2
Hog-corn, U. S. farm price	1933-52=12.5	Bushel	11.9	11.1	15.7	15.9	14.1	14.1	12.9
Beef-steer-corn, Chicago	1933-52=15.4	Bushel	18.0	18.3	15.5	15.0	14.5	14.4	15.3
Butterfat-feed, U. S.	1933-52=23.3	Pound	21.6	21.9	21.1	21.7	19.1	18.9	18.7
Milk-feed, U. S.	1933-52= 1.29	Pound	1.24	1.31	1.21	1.30	1.11	1.16	1.22
Egg-feed, U. S.	1943-52=12.8	Pound	11.4	11.4	13.1	13.5	8.9	9.6	8.7
Farm chicken-feed, U. S. 6/	1943-52= 7.1	Pound	5.3	5.1	5.9	5.6	4.5	4.3	3.9
Commercial broiler-feed, U. S. 7/	---	Pound	---	---	5.4	5.2	4.7	4.6	4.4

Prices compiled from Wall Street Journal, Chicago edition, Minneapolis Daily Market Record, Kansas City Grain Market Review, and reports of the Agricultural Marketing Service.

THE FEED SITUATION

Approved by the Outlook and Situation Board, October 15, 1954

SUMMARY

A near-record supply of feed grains and other concentrates is available for the 1954-55 feeding season, 8 percent above the 1947-51 average. The supply totals about 178 million tons, 4 percent larger than in 1953-54. Most of the increase in the supply results from the larger carryover under loan or owned by the Commodity Credit Corporation. Because of the prospective increase of 3 or 4 percent in the number of grain-consuming livestock, the 1954-55 supply per animal unit is about the same as last year, but slightly above the 1947-51 average. If the rate of feeding per animal unit in 1954-55 is about the same as the 1947-51 average, the total supply of feed concentrates would be sufficient to meet 1954-55 requirements and leave a carryover into 1955-56 nearly equal to the record of this year.

The total acreage of feed grains in 1955 is expected to be maintained near the 1954 level. With a big carryover in prospect next year, a normal growing season would result in above average feed grain supplies again in 1955-56.

As in the past two years, supplies of feed grains and hay for 1954-55 vary widely by areas. Supplies are ample in most of the North Central region, but are moderately to critically short in large areas of the South and in some of the mountain States. Emergency feed and other programs have again been established to aid farmers in drought areas to maintain their basic livestock herds.

The prospective corn supply of about 3,850 million bushels is about 100 million bushels smaller than in 1953-54, but 7 percent above the 1947-51 average. The 1954 crop of 2,950 million bushels is expected to fall somewhat below total requirements, and the carryover on October 1, 1955, probably will be below the record level of this year. Supplies of oats, barley, and sorghum grains are all much larger than in 1953-54, and larger carryover stocks of these grains are expected next year.

Feed prices in the 1954-55 season are expected to average near the 1953-54 level, although some feeds will be higher and others lower. Corn prices are expected to be about the same as a year ago at harvest time, but later in the marketing year, as supplies outside the price support program become tight, they probably will rise above a year earlier. Reflecting large 1954 crops, prices of oats and barley have been unusually low relative to corn prices this summer. They are expected to continue so in 1955, since prospects are for large supplies of these grains again next year. Prices of soybean meal probably will average lower and prices of cottonseed meal higher than in 1953-54, as a result of sharp changes in supplies of these feeds.

The total supply of high-protein feeds for 1954-55 is expected to be only slightly larger than in 1953-54. Production of soybean cake and meal may be about a million tons larger than the 5.0 million tons produced this year. But this is expected to be largely offset by much smaller supplies of cottonseed meal and dried milk products available for feed. With livestock numbers increasing, the supply of high-protein feeds per animal unit may be slightly smaller than in 1953-54.

The total supply of hay is slightly larger than last year, but somewhat below average in relation to the number of livestock to be fed. Hay supplies are again generally ample in the northern part of the country, but are very short in most of the area from Colorado and Texas east to the Atlantic coast. Furthermore, pastures have been about the poorest this past summer and fall since the drought years of the mid-thirties. This has resulted in feeding more hay and supplements than usual early in the season.

OUTLOOK FOR FEED SUPPLIES IN 1954-55

Feed Concentrate Supplies for 1954-55 at Near-Record Level

A near-record supply of 178 million tons of feed concentrates is in prospect for the 1954-55 feeding season, about 6 million tons larger than the supply in 1953-54. While the 1954 corn crop was considerably smaller than the 1953 crop, production of other feed grains was much larger and the carryover of old grain from previous years was a record.

For the third successive year, feed supplies are again very large in the Corn Belt, but much below average in the southern States. Big stocks of corn in the Corn Belt and a generally favorable growing season for feed grains have resulted in a record supply of feed grains in that area. On the other hand, drought again sharply reduced production of corn and forage crops in the South for the third year.

Although drought resulted in a short feed supply in some areas, the total supply of feed concentrates for the entire country will be adequate for the prospective number of livestock to be fed. Present indications are that the number of grain-consuming livestock on farms will rise 3 or 4 percent in 1954-55, principally as a result of increased hog production. This would reverse the decline of the past two years and would bring the number of animal units back to the postwar high of 174 million reached in 1951-52. Allowing for this prospective increase, the 1954-55 supply per animal unit is the same as last year, but slightly above the 1947-51 average. If the rate of feeding per animal unit in 1954-55 is about average, the total quantity of feed grains and other concentrates fed would be about 131 million tons. Allowing for other uses and exports, the total feed concentrate supply would be sufficient to meet the 1954-55 requirements without materially reducing the large carryover.

Table 2 .- Feed concentrate balance, numbers of animal units, and feed per unit, United States, year beginning October, average 1947-51, and annual 1948-54

Item	Average 1947-51	1948	1949	1950	1951	1952	1953 1/	1954 2/
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Supply								
Stocks beginning of year 3/	22.3	7.8	30.4	30.6	28.7	20.2	27.0	31.0
Production of feed grains:								
Corn	84.9	100.9	90.7	85.6	81.2	91.8	88.9	82.6
Oats	21.1	23.2	20.1	22.6	21.1	20.2	19.5	24.1
Barley	6.7	7.6	5.7	7.3	6.1	5.4	5.8	8.8
Sorghum grains	4.3	3.7	4.1	6.5	4.5	2.3	3.0	4.1
Total	117.0	135.4	120.6	122.0	112.9	119.7	117.2	119.6
Other grains fed 4/	4.4	3.4	4.5	4.0	4.4	5.5	4.8	4.5
Byproduct feeds fed	20.9	20.1	20.7	22.0	22.6	22.6	22.9	22.9
Total supply	164.6	166.7	176.2	178.6	168.6	168.0	171.9	178.0
Utilization, October - September								
Concentrates fed 5/								
Corn	74.2	71.5	79.4	77.6	79.0	73.0	75.6	77.1
Oats	19.2	19.9	18.4	19.9	20.4	18.7	19.3	21.0
Barley and sorghum grains	5.9	5.8	5.0	7.3	6.6	5.0	5.2	6.8
Wheat and rye	3.6	2.8	3.8	3.0	3.0	3.6	3.0	3.2
Oilseed cake and meal	7.9	7.3	7.9	8.7	9.1	8.9	8.6	9.0
Animal protein feeds	2.5	2.5	2.5	2.5	2.6	2.7	3.0	2.8
Other byproduct feeds	10.5	10.3	10.3	10.8	10.9	11.0	11.3	11.1
Total concentrates fed	123.8	120.1	127.3	129.8	131.6	122.9	126.0	6/131.0
Feed grains for seed, human food, industry, and export	17.2	17.6	17.2	20.4	17.1	17.0	16.0	17.4
Total utilization	141.0	137.7	144.5	150.2	148.7	139.9	142.0	148.4
Utilization adjusted to crop year basis	141.1	136.3	145.6	149.9	148.4	141.0	140.9	148.0
Stocks at end of crop year 3/	23.5	30.4	30.6	28.7	20.2	27.0	31.0	30.0
Supply and utilization per animal unit								
Total supply (Mil. tons)	164.6	166.7	176.2	178.6	168.6	168.0	171.9	178.0
Concentrates fed (Mil. tons)	123.8	120.1	127.3	129.8	131.6	122.9	126.0	6/131.0
Grain-consuming animal units (Millions) 7/	165.3	160.1	166.1	172.3	174.2	170.4	168.1	174.0
Supply per animal unit (Ton)	1.00	1.04	1.06	1.04	.97	.99	1.02	1.02
Concentrates fed per animal unit (Ton)	.75	.75	.77	.75	.76	.72	.75	6/.75
Livestock production units (Millions) 7/	172.8	167.6	172.4	179.9	181.7	177.4	176.8	182.5
Concentrates fed per production unit (Ton)	.72	.72	.74	.72	.72	.69	.71	.72

1/ Preliminary.

2/ Preliminary estimates based on October indications.

3/ Stocks of corn and sorghum grains in all positions on October 1, and oats and barley on July 1.

4/ Domestic wheat and rye and imported grains.

5/ Total quantities fed in the U. S., including domestically produced and imported grains and byproduct feeds.

6/ Assumes that livestock will be fed at about the same rate per animal unit as in 1947-51.

7/ Grain-consuming animal units fed and livestock production during the October-September feeding season. For weights see table 1, Feed Statistics, January 1954.

Agricultural Marketing Service.

Feed Grain Supplies 4 Percent Larger Than in 1953-54

The total supply of the 4 major feed grains--corn, oats, barley, and sorghum grains--is estimated at about 152 million tons. This would be nearly 6 million tons, or 4 percent larger than in 1953-54, and 12 million above the 1947-51 average. The total includes the 1954 production, estimated in October at nearly 120 million tons, an estimated carryover of 31 million tons, and an allowance of a little over 1 million tons for imports. This year's feed grain supply includes a little less corn than last year, but much more oats, barley, and sorghum grain. It is estimated that about 22 million tons of the record carryover this year is under loan or owned by CCC, compared with 16.7 million tons at the beginning of the 1953-54 season. Excluding stocks under the price support program, the "free" supply at the beginning of the season is about the same as a year earlier.

Total utilization of feed grains is expected to be a little larger than the 115 million tons consumed domestically and exported in 1953-54. The 1953-54 included about 99 million tons fed to livestock, 12.5 million for other domestic purposes, and 3.7 million for export. Most of the increase in 1954-55 is expected to be in livestock feeding, although larger exports also are in prospect. Based on these indications, the total carryover of feed grains into 1955-56 is expected to be nearly equal to the record 31 million tons this year. Less corn but more of other feed grains is expected.

Larger Exports of Feed Grains in Prospect

Exports of feed grains in 1954-55 are expected to be about a third larger than in 1953-54 because of a probable increase in the import requirements in most of the major feed deficit-countries and because of the increased emphasis being placed upon exporting agricultural commodities, including feed grains. Some increase over our usual marketings of agricultural commodities abroad, including feed grains, is expected under Public Law 480 of the Agricultural Trade Development and Assistance Act. The 1954 production of feed grains in Western Europe, the world's largest importing area, is about 7 percent below 1953, and the import requirements in this area are expected to exceed those of 1953-54 despite prospects for the use of larger quantities of poor-quality wheat for feeding purposes.

The aggregate export availabilities in the other major exporting countries of the Northern Hemisphere appear to be somewhat below the very high level of 1953-54, although Canada still has a large supply of barley. The harvest of 1954 crops of oats and barley in Argentina and Australia will begin about December 1. It is too early for reliable estimates of production and exportable surplus in these countries. Argentina's stocks of corn are larger than in recent years, reflecting the larger crop harvested last spring.

Table 3 .- Total concentrates fed to livestock, United States, by quarters, average 1947-51, annual 1949-53 1/

Year beginning October	October-December 2/	January-March	April-June	July-September	Total October-September
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Average 1947-51	44.1	32.5	22.6	24.6	123.8
1949	46.7	31.2	23.2	26.2	127.3
1950	45.3	33.1	25.0	26.4	129.8
1951	46.2	36.3	23.4	25.7	131.6
1952	42.8	32.1	23.4	3/ 24.6	122.9
1953 3/	45.2	29.6	24.6	26.6	126.0

1/ Total quantity of grains and byproduct feeds fed to livestock.
2/ Includes all corn for silage, part of which is consumed after January 1.
3/ Preliminary.

Table 4 .- Feed grains: Supply and disappearance, United States, crop marketing years, average 1947-51, annual 1949-54

Item	Average 1947-51	1949	1950	1951	1952	1953 1/	1954 2/
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Supply 3/							
Carryover							
Under price support	10.3	15.2	20.9	14.9	9.0	16.7	22.0
Other stocks	12.0	15.2	9.7	13.8	11.2	10.3	9.0
Total	22.3	30.4	30.6	28.7	20.2	27.0	31.0
Production	117.0	120.6	122.0	112.9	119.7	117.2	119.6
Imports 4/	.7	.8	.8	1.3	1.7	2.2	1.3
Total supply	140.0	151.8	153.4	142.9	141.6	146.4	151.9
Distribution 3/							
Livestock feed	99.5	103.7	104.5	105.6	97.4	99.2	104.5
Food, industry, and seed	12.7	12.9	14.1	12.5	12.0	12.5	12.5
Exports 5/	4.3	4.6	6.1	4.6	5.2	3.7	4.9
Total	116.5	121.2	124.7	122.7	114.6	115.4	121.9
Carryover at end of year	23.5	30.6	28.7	20.2	27.0	31.0	30.0

1/ Preliminary.
2/ October 1 indications.
3/ Supplies and disappearance of corn and sorghum grains during October-September and oats and barley grain during July-June.
4/ Includes grain equivalent of products.
5/ Includes corn, sorghum grain, and oats exported as grain, barley, and grain equivalent of malt.

Corn Supply Slightly Smaller Than Last Year; Crop Down 227 Million Bushels

The 1954-55 corn supply was estimated in early October at 3,850 million bushels, 2 percent less than in 1953-54, but 7 percent above the 1947-51 average. The 1954 crop was estimated on October 1 at 2,950 million bushels, 227 million bushels less than last year and a little below average. On the other hand, the carryover on October 1 probably totaled around 900 million bushels, the largest on record. 1/ It is estimated that around 725 million bushels were under loan and purchase agreement, or owned by CCC. The supply of corn, excluding stocks under the Government program on October 1, totals about 3,125 million bushels, about 250 million bushels less than the comparable supply at the beginning of the 1953-54 season.

Sales of corn by farmers from the 1954 crop probably will be somewhat smaller than the 951 million bushels sold in 1953-54. The 1953 sales included an allowance for substantial quantities of corn delivered to CCC under the price support program. The movement of corn into commercial channels was unusually heavy during October and November of 1953, when the bulk of the crop was being harvested. Marketings then dropped off sharply and large quantities were placed under loan and purchase agreement. In addition to sales by farmers, CCC sold nearly 200 million bushels of corn from its stocks during 1953-54, the bulk of which was 1948 and 1949 corn in danger of deterioration in quality. Nevertheless, a comparatively tight commercial supply situation developed toward the close of the marketing year.

A similar pattern of marketings may occur during the 1954-55 season. Because of the large production of corn in the Corn Belt area, marketings may again be comparatively heavy early in the season and then decline fairly sharply later in the year, after farmers have disposed of their surplus corn. This year the CCC has much less old corn in danger of quality deterioration than a year ago, which means much less will have to be disposed of at prices below the support level.

The total utilization of corn for all purposes in 1954-55 is expected to be a little larger than in 1953-54, in spite of the smaller production this year. The increase in utilization is expected because of the substantial increases taking place in hog production. Although livestock producers generally will draw heavily upon the larger supplies of oats, barley, and sorghum grains for their increased feed requirements, some increase in utilization of corn also appears likely.

The use of corn for food and industrial purposes during 1954-55 is expected to be about equal to the 245 million bushels of 1953-54. The quantity used by the wet-processing industry probably will continue near the average of around 125 million bushels for recent years. The quantity

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1/ Preliminary estimate; see footnote 4, table 5.

Table 5 .- Corn: Supply and distribution, year beginning October, average 1947-51, and annual 1949-54

Item	Average 1947-51	1949	1950	1951	1952	1953 1/	1954 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Supply							
Production	3,031.1	3,238.6	3,057.8	2,899.2	3,279.4	3,176.6	2,950
Carryover 3/	560.8	813.0	845.0	739.2	486.5	768.8	4/900
Imports 5/	.7	.8	.7	.9	.9	1.0	1
Total supply	3,592.6	4,052.4	3,903.5	3,639.3	3,766.8	3,946.4	3,851
Distribution							
Wet-process products 6/	122.3	127.7	133.2	123.7	130.0	125	125
Dry-process products							
Breakfast foods 7/	10.5	10.0	11.0	11.0	11.0	11	11
Farm household use	15.5	15.3	15.2	14.2	13.2	13	13
Corn meal, grits, etc. 8/	67.2	65.0	70.0	70.0	71.0	71	71
Alcohol and distilled spirits	34.1	36.1	45.2	27.4	17.3	24	25
Seed	11.4	11.1	11.1	11.1	10.9	11	11
Exports 5/	81.4	106.5	107.2	75.5	139.6	95	115
Total non-feed uses	342.4	371.7	392.9	332.9	393.0	350	371
Livestock feeds 9/	2,648.8	2,835.7	2,771.4	2,819.9	2,605.0	2,696	2,755
Total utilization	2,991.2	3,207.4	3,164.3	3,152.8	2,998.0	3,046	3,126
Carryover at end of year, all positions 3/	601.4	845.0	739.2	486.5	768.8	900	725

1/ Preliminary.

2/ Based on conditions in early October. Tentative estimates of utilization and carryover at the end of the year.

3/ Stocks in all positions.

4/ Includes a rough allowance for corn in interior mills, elevators, and warehouses, and in CCC bins, data for which were not available at the time of preparation of this report.

5/ Imports include grain equivalent of corn meal and flour; exports are grain only

6/ Starch, sirup, sugar, etc.

7/ Estimated quantities used in making prepared breakfast foods.

8/ Estimated quantities used in producing corn meal, flour, hominy, and grits for human food and for brewers' use. Does not include livestock feeds produced in the dry-milling industry.

9/ Residual; includes small quantities for other uses and waste.

of corn used in producing distilled spirits increased in 1953-54 from the low level of 1952-53. The total used in 1954-55 is expected to continue near the level of the past year, though probably below the 1947-51 average. Comparatively little corn has been used in making industrial alcohol during the past year. The quantity of corn used in the dry-processing industry for corn meal, grits, etc., is not reported annually, but it is assumed to continue fairly stable at about 70 million bushels.

Exports of corn in 1954-55 may be about a fifth larger than the 1953-54 total of about 95 million bushels (grain only). The increase is expected as a result of increased requirements in some countries and also because of special Government programs which have been set up to encourage larger exports of commodities owned by CCC.

Based on these supply and utilization prospects the carryover of corn on October 1, 1955, is expected to total around 725 million bushels, or about 175 million less than the record on October 1 this year. The bulk of this carryover is again expected to be owned by CCC or under loan.

Table 6.- Corn: Price supports, average prices, and quantity placed under the price support programs, United States, 1948-54

Year beginning October	Corn price supports			Average price, North Central Region 3/	Difference 4/	Placed under price support		
	National average 1/	Percentage of parity	Average loan rate per bushel sealed 2/			Loan	Purchase agreement	Total
	Dollars	Percent	Dollars	Dollars	Dollars	Million bushels	Million bushels	Million bushels
1948	1.44	90	1.38	1.19	-.19	354.8	196.1	550.9
1949	1.40	90	1.34	1.14	-.20	328.9	57.8	386.7
1950	1.47	90	1.41	1.51	.10	51.6	2.5	54.1
1951	1.57	90	1.58	1.62	.04	25.2	1.0	26.2
1952	1.60	90	1.56	1.42	-.14	310.0	107.9	417.9
1953	1.60	90	1.56	1.38	-.18	368.9	102.3	471.2
1954	5/1.62	90						

1/ Average price support for the United States.
2/ Average loan value of corn sealed during each marketing year.
3/ Average price for the months loans were available.
4/ Average price in North Central States above or below the average loan rate on corn sealed.
5/ Full 90 percent support available to producers in the commercial area who plant within their acreage allotments. The support in the noncommercial area is 75 percent of the 90 percent support rate for that area.

Less 1954 Corn Expected to be Placed Under Price Support

The quantity of 1954 corn placed under loan and purchase agreement is expected to be less than the large quantities from the 1952 and 1953 crops. Since the 1954 corn crop is expected to fall a little below our total consumption, farmers will have less surplus corn to place under the price support program. Furthermore, many farmers in the commercial area did not plant within their acreage allotments and are not eligible for 1954 price supports.

During the 1954-55 season, the quantity of corn held under the price support program probably will be reduced. It is estimated that of the total carryover of around 900 million bushels on October 1, about 725 million were under loan, purchase agreement, or owned by CCC. If the total carryover of corn is reduced by 175 million bushels during the 1954-55 season, as estimated earlier, most of this reduction would be in price support stocks, since carryover of "free" stocks was at about a minimum working level.

Oats Supply Near-Record

The 1954-55 oats supply, including an allowance of 40 million bushels for imports, is now estimated at 1,780 million bushels, 230 million more than the supply last year and only slightly below the record of 1945-46. The 1954 crop of 1,506 million bushels was 290 million bushels larger than the 1953 crop, reflecting both increased acreage and higher yield per acre. The carryover on July 1 totaled 234 million bushels, a little smaller than in the previous year and also a little below average.

Imports of oats, principally from Canada, totaled 80 million bushels in 1953-54, and exceeded 60 million bushels in each of the two preceding years. Imports will be much smaller in 1954-55 as a result of import restrictions limiting imports to 40 million bushels during the October-September 1954-55 feeding season.

The utilization of oats in 1954-55 is expected to be somewhat larger than in 1953-54 as a result of the increased supplies available, smaller corn production, and the prospective increase in livestock to be fed. Practically all of the expected increase is in livestock feeding, since other uses and exports are comparatively stable. Exports of oats have been very low in recent years and are not expected to total over 5 million bushels in 1954-55, including the grain equivalent of oat products.

Because of the much larger 1954 production of oats in the surplus producing area of the Midwest, the quantity of oats going under price support this year is expected to be somewhat larger than last year, and sales into commercial channels also probably will increase. In the 1953-54 season, about 46 million bushels of oats were placed under loan and

Table 7 .- Oats and barley: Supply and distribution, year beginning July, averages 1947-51, and annual 1949-54

Item	Average 1947-51	1949	1950	1951	1952	1953 1/	1954 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
				Oats			
Supply							
Production	1,322.6	1,254.9	1,410.5	1,321.3	1,260.1	1,216.4	1,506
Carryover 3/	249.8	290.3	210.9	291.7	283.2	254.2	234
Imports 4/	26.6	19.8	30.2	62.3	68.6	79.8	40
Total supply	1,599.0	1,565.0	1,651.6	1,675.3	1,611.9	1,550.4	1,780
Distribution							
Breakfast foods	39.4	37.0	38.0	38.0	38.0	38.0	38
Seed	104.1	109.6	100.5	103.1	106.1	112.2	112
Exports 4/	9.5	12.4	3.4	2.0	1.1	.4	1
Total food, seed, and exports	153.0	159.0	141.9	143.1	145.2	150.6	151
Livestock feed 5/	1,194.4	1,195.1	1,218.0	1,249.0	1,212.5	1,165.6	1,304
Total utilization	1,347.4	1,354.1	1,359.9	1,392.1	1,357.7	1,316.2	1,455
Carryover at end of year 3/	251.6	210.9	291.7	283.2	254.2	234.2	325
				Barley			
Supply							
Production	278.5	237.1	303.5	254.3	226.0	241.0	367
Carryover July 1 3/	76.3	100.8	79.6	93.5	73.4	51.3	71
Imports 6/	11.7	18.2	13.9	12.9	24.9	38.3	25
Total supply	366.5	356.1	397.0	360.7	324.3	330.6	463
Distribution							
For alcohol and alcoholic beverages	90.5	86.8	95.4	86.7	82.4	85.8	88
For other purposes	6.1	6.0	6.0	6.0	6.0	6.0	6
Seed	18.8	21.6	17.9	15.5	15.8	24.3	25
Exports 6/	28.9	21.5	40.0	31.1	37.0	18.4	30
Total non-feed uses	144.3	135.9	159.3	139.3	141.2	134.5	149
Livestock feed 5/	142.3	140.6	144.2	148.0	131.8	125.4	189
Total utilization	286.6	276.5	303.5	287.3	273.0	259.9	338
Carryover at end of year 3/	79.9	79.6	93.5	73.4	51.3	70.7	125

1/ Preliminary.

2/ Based on conditions in October. Tentative estimates of utilization and carryover at the end of the year.

3/ Stocks in all positions.

4/ Imports include grain equivalent of oatmeal; exports are grain only.

5/ Residual; includes small quantities for other uses and waste.

6/ Both imports and exports include grain equivalent of malt.

10 million bushels under purchase agreement. Present indications are that about 35 to 40 million bushels of this quantity will be delivered to CCC or resealed on farms. Through September 15 of this year, about 34 million bushels of 1954 oats had been placed under loan and purchase agreement compared with only 19 million bushels in the same period of a year earlier (table 17).

Barley Supply Up 40 Percent

The total supply of barley for 1954-55, including an allowance of 25 million bushels for imports, was estimated in early October at about 463 million bushels, 40 percent larger than the small supply in 1953-54. The carryover of barley on July 1 totaled 71 million bushels, 20 million larger than last year, while the 1954 crop of 367 million bushels was 52 percent larger. The big crop this year resulted from a sharp increase in acreage as well as higher yield per acre. While increases in production were general over most of the country, greatest increases occurred in the Northern Great Plains and Western States,where barley was used extensively to replace wheat, 1954 plantings of which were reduced through acreage allotments and marketing quotas. Imports of barley in 1954-55 are expected to be smaller than the 38 million bushels imported in 1953-54.

With the much larger supply of barley available, total utilization in 1954-55 is expected to be considerably larger than the below-average disappearance in 1953-54. The quantity fed to livestock may be about 50 percent larger than the 125 million bushels fed last year. Exports also are expected to be somewhat larger than the 18 million bushels in 1953-54, the smallest since 1946-47. The quantity of barley used in producing malt products may be a little larger than in 1953-54, although the use for this purpose remains comparatively stable. Allowing for some increase in domestic use and exports, the carryover at the close of the 1954-55 marketing year is now expected to reach a record level of around 125 million bushels.

The quantity of barley going under price support in 1954-55 is expected to total much larger than the 45 million bushels in 1953-54. Through September 15 this year, 34 million bushels of barley had been placed under loan and purchase agreement compared with only about 9 million bushels during the same period of 1953. The total quantity of barley placed under price support probably will exceed the previous record of 49 million bushels in 1948-49.

Sorghum Grain Supply Near Average, Although Drought Cuts Yield

The total supply of sorghum grain for 1954-55 is estimated at 172 million bushels, only 7 million bushels below the 1947-51 average and much larger than the small supplies of the past two years. The 1954 crop was estimated on October 1 at 147 million bushels, 38 million larger than the short crop of 1953, but 6 million below the 1947-51 crop.

For the third successive year, drought has sharply reduced the yield of sorghum grain in the Southwest. Although the United States average yield per acre this year was somewhat lower than last year and also well below average, a much larger acreage was seeded to sorghums. The estimated 8.9 million acres to be harvested for grain this year is the third largest on record, being exceeded only in 1944 and 1950. On the other hand, the United States average yield of 16.5 bushels per acre was 9 percent below the 1943-52 average.

The larger supply of sorghum grain for 1954-55 is expected to result in larger quantities being fed to livestock and increased exports. Domestic utilization and exports have been low during the past two years, principally as a result of the short supplies available. The quantity used for feed this year is expected to be substantially larger than in the past two years, when only about 69 million bushels were fed to livestock anually. The quantity exported also is expected to increase, but probably will remain somewhat below the 1947-51 average.

Table 8.- Sorghum grains: Supply and distribution, year beginning October, average 1947-51, and annual 1949-54

Item	Average 1947-51	1949	1950	1951	1952	1953 1/	1954 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Supply							
Production	153.3	148.3	233.3	160.2	83.0	109.0	147
Carryover 3/	26.0	18.7	59.7	38.1	9.9	7.3	4/25
Total supply	179.3	167.0	293.0	198.3	92.9	116.3	172
Distribution							
Food and industry 5/	14.5	10.0	36.5	12.5	4.0	4	5
Seed	1.9	2.2	2.1	1.7	2.0	3	3
Exports	45.1	31.6	75.3	62.1	10.4	15	30
Total non-feed uses	61.5	43.8	113.9	76.3	16.4	22	38
Livestock feed 6/	91.2	63.5	141.0	112.1	69.2	69	104
Total utilization	152.7	107.3	254.9	188.4	85.6	91	142
Carryover at the end of the year 3/	26.6	59.7	38.1	9.9	7.3	25	30

1/ Preliminary.

2/ Tentative estimates, based on October 1 indications.

3/ Stocks in all positions on October 1.

4/ Preliminary estimate, subject to change when estimate of total stocks is released October 22.

5/ Alcohol and distilled spirits prior to 1949-50. Includes an allowance for wet-processing from the middle of 1949 to date.

6/ Residual; includes small quantities for other uses and waste.

Through September 15 a total of 12.5 million bushels of 1954 sorghum grains have been placed under loan and purchase agreement compared with only 3 million in the same period of 1953. These early developments indicate that the total quantity of sorghum grains placed under price support from the 1954 crop will be somewhat larger than the 45 million bushels placed under loan and purchase agreement in 1953-54. The carryover of sorghum grains at the close of the 1954-55 season will depend to a considerable extent on the volume retained under the price support program. Carryover on October 1, 1955, is expected to exceed the total of around 25 million bushels on hand this year, but it is expected to be considerably below the record of 60 million bushels in 1950.

Feed Grain Supplies Large in the Corn Belt; Short in the South

For the third successive year, feed grain supplies are much larger than average in the Corn Belt and much below average throughout most of the South. Prospective supplies of feed grains and numbers of grain-consuming animal units to be fed in 1954-55 for the 6 major regions compared with recent years are shown in table 9. The estimates for 1954-55 are based on October 1 crop estimates and other indications at the beginning of the feeding season.

A record supply of feed grains is on hand in the Corn Belt area as a result of the big carryover of corn on October 1 and a very large total production of feed grains. The total supply of feed grains in the East North Central region is 5 percent larger than the big supply last year and the largest on record. The supply per grain-consuming animal unit is estimated to be about equal to the big supply last year and 6 percent above the 1947-51 average.

The total supply of feed grains in the West North Central region also is estimated to be the largest on record, although it is a little smaller than in 1953-54 in relation to the expected larger number of grain-consuming livestock to be fed. While the 1954 corn crop in this region was about 130 million bushels smaller than a year earlier, this was more than offset by much larger production of other feed grains. The oats crop was 191 million bushels larger than in 1953 and the barley crop was up 37 million bushels.

The total feed grain supply in the South Central region is slightly larger than last year, but is 22 percent below the 1947-51 average. The 1954 corn crop in that area, estimated at 222 million bushels, is 46 million bushels smaller than in 1953. This was a little more than offset by larger crops of oats and sorghum grains.

Supplies of feed grains in the South Atlantic region are estimated to be 15 percent below the 1947-51 average in total, and 22 percent below average in relation to the increasing number of grain-consuming livestock in that area. The reduction in feed grain supplies reflects the severe droughts which materially reduced production of corn in many of the South Atlantic States.

Table 9.- Feed grain supply: Total and per animal unit, by regions, average 1947-51, annual 1950-54

Year	Feed grain supply 1/	Grain-consuming animal units	Supply per animal unit	Feed grain supply 1/	Grain-consuming animal units	Supply per animal unit
	1,000 tons	Thousands	Tons	1,000 tons	Thousands	Tons
		North Atlantic			South Atlantic	
Average 1947-51	4,635	14,749	.31	7,961	16,406	.49
1950	4,995	15,098	.33	8,327	17,126	.49
1951	5,100	15,659	.33	8,049	18,019	.45
1952	4,907	16,048	.31	6,909	18,089	.38
1953 2/	4,596	16,414	.28	7,605	17,726	.43
1954 2/	4,991	16,800	.30	6,782	17,700	.38
		East North Central			West North Central	
Average 1947-51	42,095	40,818	1.03	63,679	57,390	1.11
1950	42,763	42,604	1.00	71,375	60,610	1.18
1951	43,724	42,970	1.02	65,586	60,419	1.09
1952	44,688	42,283	1.06	68,542	58,674	1.17
1953 2/	45,933	42,219	1.09	69,309	57,213	1.21
1954 2/	48,062	44,100	1.09	71,700	62,200	1.15
		South Central			Western	
Average 1947-51	15,035	24,871	.60	5,861	11,102	.53
1950	18,329	25,457	.72	6,829	11,394	.60
1951	13,697	25,203	.54	5,427	11,914	.46
1952	9,537	23,918	.40	5,345	11,428	.47
1953 2/	11,433	23,078	.50	5,399	11,489	.47
1954 2/	11,774	22,000	.54	7,620	11,500	.66

1/ Production of four feed grains, plus stocks in all positions at beginning of marketing years. 2/ Preliminary.

Table 10.- Feed grains: Receipts at primary markets, September, average, 1947-51, 1952, 1953, and June-September 1954

Item	September			1954			
	Average 1947-51	1952	1953	June	July	August	September
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Corn, 12 markets 1/	21,681	21,567	25,334	25,147	24,069	29,466	21,352
Oats, 12 markets 1/	15,445	10,705	8,784	7,241	16,856	26,002	10,638
Barley, 4 markets 2/	17,565	11,264	15,699	8,226	7,050	29,626	17,587

1/ Chicago, Milwaukee, Minneapolis, Duluth, St. Louis, Kansas City, Peoria, Omaha, Indianapolis, Sioux City, St. Joseph, and Wichita. 2/ Minneapolis, Milwaukee, Chicago, and Duluth.

Supplies of locally grown feed grains in the Western States are substantially larger than last year and are also above the 1947-51 average, principally as a result of the marked increase in the production of barley, which was grown on land taken out of wheat. The total barley supply for the Western region is estimated at 218 million bushels, 82 million bushels larger than last year and 69 million bushels above the 1947-51 average.

The supply of locally grown feed grains in the North Atlantic region is a little larger than last year, both in total and per animal unit. The supply per animal unit, however, is slightly below the 1947-51 average. This area ordinarily produces a little less than one-half of the feed grains and other concentrates consumed by livestock. Most of the shipped-in feed comes from the Midwest, although in the past 2 years it also has included a substantial part of the oats imported into the United States.

Wheat Feeding to Continue Relatively Small

The quantity of wheat fed to livestock has been at a comparatively low level in recent years, reflecting the relatively high price of wheat compared with the price of corn and other feed grains. During the past five years the quantity of wheat fed annually has ranged from 75 to 125 million bushels. The bulk of it has been fed on farms where grown or low quality wheat purchased from other areas, including that imported from Canada.

Wheat feeding is expected to continue relatively low during the 1954-55 season, although it may increase somewhat from the low level in 1953-54. The quality of the Canadian wheat crop is much lower than a year ago and some increase in imports of low quality wheat is in prospect, although imports are expected to remain well below the 20 to 30 million bushels of 1951-52 and 1952-53. In the last quarter of the feeding season (July-September 1955) the lower support price for wheat may result in some increase in wheat feeding in some areas. However, assuming an average growing season for oats and barley, the quantity fed is not expected to be unusually heavy. Based on these current indications, the total quantity of wheat fed during the 1954-55 feed year probably will not be greatly different from the average of around 100 million bushels for recent years.

Byproduct Feed Supplies to Continue Near The Level of Recent Years; Much Larger Supply of Soybean Meal in Prospect

The total supply of byproduct feeds available for livestock feeding in the 1954-55 feeding season is expected to continue near the level of the past three years, when about 22.5 to 23 million tons have been available for feeding. The composition of this year's supply, however, will be changed materially by the marked increase in soybean meal production and the much smaller supply of cottonseed cake and meal.

Total tonnage of the principal high-protein feeds, in terms of oilseed meal equivalent, is estimated at 13.1 million tons, slightly larger than the supply for 1953-54. With a prospective 4 percent increase in the number of livestock consuming these feeds, the supply per animal unit is a little smaller than last year, although it is above the 1947-51 average (table 12).

Production of soybean cake and meal from the record 1954 soybean crop is expected to be nearly a million tons larger than the output in 1953-54, now estimated at about 5.0 million tons. This increase is based on the record 1954 soybean crop and allows for somewhat heavier exports of soybeans than the 40 million bushels exported in 1953-54. The cottonseed cake and meal production in 1954-55, on the other hand, is expected to be around 700,000 tons below the very large output of over 2.9 million tons in 1953-54. Some reduction in stocks of cottonseed cake and meal appears likely and imports may increase later in the feeding season, so that the decline in the quantity available for feeding to livestock probably will not be as great as the drop in production. A larger supply of linseed cake and meal is in prospect, but the supply of peanut cake and meal is expected to be the smallest in recent years. The supply of copra cake and meal probably will continue near the 1953-54 level of about 200,000 tons. Based on current prospects, around 9.0 million tons of oilseed cake and meal are expected to be available for feeding in 1954-55, about 350,000 more than in 1953-54, and nearly equal to the record level in 1951-52.

Supplies of tankage and meat scraps are expected to be at least as large in the 1954-55 feeding season as in 1953-54, when a record of a little over a million tons were fed to livestock. Slaughter of cattle is expected to continue heavy during the coming year, and the number of hogs slaughtered probably will be nearly 10 percent larger than in 1953-54. Supplies of fish meal are expected to be about equal to the 350,000 tons fed in 1953-54. The quantity of dried milk products fed is expected to be back to about normal and only about a third as large as in 1953-54, when 286,000 tons were sold from CCC stocks for feed.

Production of gluten feed and meal, brewers' dried grains, and distillers' dried grains are all expected to be about as large in 1954-55 as during the past season. The production of wheat millfeeds has been declining in recent years, and the supply of these feeds available for feeding probably will be no larger this year than last. The 4,650,000 tons of feed in 1953-54 included imports of about 275,000 tons.

The quantity of molasses fed to livestock in 1953-54 totaled about 370 million gallons, 10 percent larger than in 1952-53 and the largest of record. Molasses feeding is expected to continue heavy in 1954-55, but it may be a little below the record level of 1953-54. While imports of molasses have declined during the past two years, much less has gone into the production of alcohol and alcohol products, leaving more available for feeding.

Table 11.- Byproduct feeds: Estimated use for feed, year beginning October, average 1947-51, and annual 1949-54 1/

Item	Average 1947-51	1949	1950	1951	1952	1953 2/	1954 3/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
HIGH-PROTEIN FEEDS							
Oilseed cake and meal							
Soybean cake and meal	4,683	4,517	5,718	5,640	5,510	4,950	5,900
Cottonseed cake and meal	2,222	2,382	1,853	2,650	2,664	2,900	2,325
Linseed cake and meal	630	670	732	520	478	525	550
Peanut cake and meal	108	94	130	99	44	60	25
Copra cake and meal	200	204	226	221	213	200	200
Total	7,843	7,867	8,659	9,130	8,909	8,635	9,000
Animal proteins							
Tankage and meat scraps	870	842	882	946	1,032	1,040	1,050
Fish meal	271	264	275	375	336	350	350
Commercial dried milk products	97	100	100	100	100	375	125
Non-commercial milk products	1,267	1,300	1,270	1,225	1,250	1,235	1,235
Total	2,505	2,506	2,527	2,646	2,718	3,000	2,760
Grain protein feeds							
Gluten feed and meal	887	926	966	897	942	925	925
Brewers' dried grains	232	233	241	223	224	240	240
Distillers' dried grains	404	352	642	339	186	245	250
Total	1,523	1,511	1,849	1,459	1,352	1,410	1,415
OTHER BYPRODUCT FEEDS							
Wheat millfeeds	4,988	4,754	4,818	4,974	4,715	4,650	4,600
Rice millfeeds	202	214	187	243	263	275	300
Dried and molasses beet pulp	359	349	397	396	385	425	450
Alfalfa meal	1,122	1,094	1,218	1,178	1,043	1,125	1,150
Miscellaneous byproduct feeds 4/	2,320	2,400	2,300	2,600	3,200	3,400	3,200
Total	8,991	8,811	8,920	9,391	9,606	9,875	9,700
Group total all byproduct feeds	20,862	20,695	21,955	22,626	22,585	22,920	22,875

1/ Estimated use for feed is derived by adding production and imports; deducting exports, utilization for food, and other nonfood uses, and adjusting for changes in stocks of feeds for which stock data are available. Data on stocks have been compiled as follows: Cottonseed cake and meal and brewers' and distillers' dried grains, 1937-54, peanut cake and meal, 1938-54, alfalfa meal, 1944-54, soybean, linseed, and copra cakes and meals, February 1949 to date.

2/ Preliminary.

3/ Preliminary estimates based on indications in October.

4/ Estimated quantities of hominy feed, oat millfeeds, molasses, and screenings available for livestock feeding.

Table 12.- High-protein feeds: Quantity fed per animal unit, United States, average 1947-51, annual 1949-54

Item	Unit	Year beginning October						
		Average 1947-51	1949	1950	1951	1952	1953 1/	1954 2/
Total protein feed (oilmeal equivalent) 3/	1,000 tons	11,643	11,654	12,653	13,103	12,931	12,981	13,113
Animal units fed annually (excluding work-stock) 4/	Million	155.4	156.2	163.2	166.1	163.2	161.6	168.5
Quantity per animal unit	Pounds	150	149	155	158	158	161	156

1/ Preliminary.
2/ Tentative estimates based on October 1 indications.
3/ Weighted as follows: Soybean, linseed, cottonseed, and peanut cakes and meals, 1.00; tankage, meat scraps, and fish meal, 1.40; milk products, 1.00; gluten feed and meal, 0.70; brewers' and distillers' dried grains and copra meal, 0.50.
4/ Grain-consuming livestock fed annually minus horses and mules. For weights see table 1, page 3, Feed Statistics, January 1954, Agricultural Marketing Service.

OUTLOOK FOR FEED SUPPLIES IN 1955-56

With a normal growing season in 1955, above average feed grain supplies are again likely next year as a result of the big carryover which is in prospect and the expectation that the total acreage of feed grains planted will be maintained in 1955. Acreage allotments are again in prospect for the 1955 corn crop, which will again have a tendency to reduce corn acreage in the commercial area. Total acreage of feed grains, however, is expected to be maintained, at or near the 1954 level. The combined acreage of oats, barley, and sorghums in 1954 is about 13 million acres more than in 1953, largely as a result of the 21 million acre reduction in the acreage of wheat and cotton. Another 10 million-acre reduction in the combined allotments for wheat and cotton will leave an increased acreage available again in 1955 for feed grains and forage crops. Stocks of corn carried over into 1955-56 are expected to be reduced to about 725 million bushels. With current rates of utilization and current acreages, a yield reduction of less than 3 bushels per acre (8 percent) would bring stocks down to around 500 million bushels by the end of 1955-56. On the other hand, a favorable season and a yield such as that obtained in 1948 likely would result in stocks reaching a new record level.

Total Feed Concentrate Supply for 1955-56 at Three Levels of Production

Supplies of feed concentrates are projected to 1955-56 in table 13, with comparisons at 3 levels of production. The 1947-51 average is taken for the medium level. While acreage allotments will again be in effect for corn producers in the commercial area, this probably will again be offset by increased acreages of other feed grains on land taken out of wheat and cotton. Production would be expected to be near average, with about a normal growing season. With the 1947-51 average production as shown in table 13, the total feed concentrate supplies would be only slightly below the 1954-55 level and nearly 10 million tons above the 1947-51 average.

Table 13.- Feed concentrate supply: 1947-51 average, 1954-55, and projections for 1955-56

Item	Average 1947-51	1954-55 1/	1955-56 projected 2/ High production	Medium production	Low production
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Feed grains					
Carryover	22.3	31.0	30.0	30.0	30.0
Production	117.0	119.6	129.0	117.0	105.0
Total	139.3	150.6	159.0	147.0	135.0
Other grains 3/	4.4	4.5	4.5	4.5	4.5
Byproduct feeds	20.9	22.9	22.5	22.5	22.5
Total	164.6	178.0	186.0	174.0	162.0

1/ Preliminary, based on indications October 1. 2/ Carryover based on indications in October 1954; medium production assumed to be 1947-51 average; low production 10 percent below average, and high production 10 percent above average. Supplies of other feeds assumed to be about the same as expected for 1954-55. 3/ Domestic wheat and rye and imported grains fed.

A high production is assumed as 10 percent above the 1947-51 average, or 129 million tons. This would be somewhat below the record production of 135 million tons in 1948, but otherwise the largest on record. Should a very favorable growing season result in a production of this size, the total supply of feed concentrates would be about 186 million tons, 7 million tons above the previous record supply, and 21 million tons above the 1947-51 average.

Low production is assumed as 10 percent below the 1947-51 average, which would be about midway between the average and the very small crop in 1947. With production at this level, total supplies would be only slightly below average, although they would be substantially below the large supply of this year. Hence, the carryover stocks into 1955-56 are expected to be sufficient to cushion the effects of a moderately poor year and much of the adverse effect of a very poor year, such as 1947.

Corn: Smaller Carryover Expected in 1955, but Acreage Allotments are Again in Prospect

The total acreage planted to corn in 1955 will depend to some extent on acreage allotments for the 1955 crop, which are now under consideration. Based on present indications, acreage allotment for the commercial corn area will be about 50 to 52 million acres, compared with the 47 million-acre allotment in 1954, and 57 million acres planted in 1953. Since many farmers over-planted their acreage allotment, the total acreage planted in the commercial area in 1954 was only slightly below the 1953 acreage. Changes in the 1955 program and the more moderate reduction expected in acreage allotments may result in increased compliance next year. However, production in the South would be considerably larger than the small production in that area this year, if the 1955 growing season is more nearly normal in that region. Hence, with a near normal growing season next year, it does not appear likely that corn production would be much below 3.1 billion bushels. With the carryover of around 725 million bushels in prospect, this would give a supply of around 3,825 million bushels, or about as large as for the present season and somewhat above the 1947-51 average of 3,593 million bushels.

Large Acreages and Big Carryover of Other Grains in Prospect

Large acreages of other feed grains are expected again in 1955, as these crops are expected to be seeded on land taken out of wheat and cotton, as was the case in 1954. The acreage seeded to wheat in 1955 is expected to be somewhat smaller than the 63 million acres seeded in 1954, since the total acreage allotment has been reduced from 62 million acres to 55 million acres. The acreage allotment on cotton is 3.2 million acres less than the 21.4 million acres allotted in 1954. These reductions, together with the cross-compliance feature of the 1955 program, are expected to result in at least as large acreages of oats, barley, and sorghum grains as were planted in 1954. This year 46.6 million acres were planted to oats, 2.6 million more than in 1953. The barley acreage was increased from 9.6 million acres to 14.5 million. A total of about 20.4 million acres was planted to sorghums, of which nearly 9 million acres were harvested for grain. With a more nearly normal growing season for sorghums next year, past relationships between cotton and wheat acreages and sorghum acreage indicate that the total acreage probably will at least be maintained at the 1954 level. The acreage harvested for grain probably would be equal to the record of a little over 10 million acres harvested in 1950. With a 1947-51 average yield per acre, a crop of around 175 to 200 million bushels would be produced, or about a third larger than the 1954 production.

OUTLOOK FOR HAY SUPPLY IN 1954-55

Hay Supply Slightly Larger Than in 1953-54; But Below Average per Animal Unit

The total hay supply for 1954-55, estimated at 121 million tons, is slightly larger than in 1953-54 and a little above the 1947-51 average.

Since cattle numbers have increased sharply during the past 5 years, the supply per roughage-consuming animal unit is 4 percent below average.

The 1954 crop of 105.8 million tons was slightly larger than in the 2 preceding years, and 5 percent above average. The carryover of 15.2 million tons was near average. The number of roughage-consuming animal units to be fed during 1954-55 is expected to remain near the high level of the past 2 years, or nearly 10 percent above the 1947-51 average.

Pastures and ranges have been about the poorest since the drought years of the 30's, as a result of dry weather over large areas of the country. Since pastures and ranges have furnished much less forage than usual for livestock, farmers in many areas have fed more hay and other feeds than usual early in the season.

Hay Supplies and Prices Vary Widely by Areas

As has been the case in the past 2 years, hay supplies this year vary widely among the different regions of the country. Supplies are generally adequate in the northern part of the country from the North Central Plains area east to the Atlantic Coast. In most of the Southern States, however, supplies are again very short, and it will be necessary to ship in more hay than usual from surplus producing areas.

Hay supplies were about 13 percent above the 1947-51 average in the North Central region and a surplus of hay will be available in a number of these States for shipment to drought areas. In this region, hay supplies have a little more than kept pace with the increase in roughage-consuming livestock, and the supply per animal unit is slightly above average. The 1954 crop was equal to or well above the 1943-52 average in most of the North Central States, except in Missouri, where the crop was about one-third below average. Supplies were near average in the North Atlantic Region, although they were a little below average in relation to the increasing number of roughage-consuming livestock in this area.

Hay supplies are again below average this year in the Southern States and pastures have been very poor this summer and fall. In the South Atlantic region the total supply of hay is 8 percent smaller than last year, and 16 percent below the 1947-51 average. After allowing for above average cattle numbers in this area, the supply per roughage-consuming animal unit is the smallest in recent years and about a fourth below the 1947-51 average. The total supply of hay in the South Central region is 6 percent smaller than last year and 21 percent below average. The number of roughage-consuming livestock in this area is above the 1947-51 average, although it has declined somewhat in the past year or so. The supply of hay per animal unit is nearly a fourth smaller than the 1947-51 average. Supplies of hay in the Western States are a little smaller than last year, both in total and per animal unit, and also slightly below average per animal unit. Drought greatly reduced 1954 production of hay in Wyoming and Colorado, but the crop is generally adequate for requirements in the West Coast States.

Table 14.- Hay supply and disappearance per animal unit, United States, average 1947-51, annual 1949-54

Year beginning May	Production	Carry-over May 1	Total supply	Disappearance	Supply per animal unit	Disappearance per animal unit	Roughage-consuming animal units 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Tons	Tons	Thousands
Average 1947-51	100,454	14,877	115,331	100,623	1.67	1.46	68,994
1949	95,055	14,602	109,657	95,426	1.63	1.42	67,234
1950	102,476	14,231	116,707	101,695	1.68	1.47	69,307
1951	107,991	15,012	123,003	108,045	1.70	1.50	72,228
1952	104,345	14,958	119,303	104,584	1.59	1.39	75,075
1953	105,300	14,719	120,019	104,842	1.58	1.38	75,886
1954 2/	105,787	15,177	120,964		1.60		75,500

1/ Roughage-consuming animal units fed annually. For weights see table 68, page 52, Feed Statistics, January 1954. 2/ Preliminary, based on indications in October.

Table 15.- Hay supply: Total and per animal unit, by regions, average 1947-51, annual 1950-54

Year	Hay supply 1/	Roughage-consuming animal units	Supply per animal unit	Hay supply 1/	Roughage-consuming animal units	Supply per animal unit
	1,000 tons	Thousands	Tons	1,000 tons	Thousands	Tons
		North Atlantic			South Atlantic	
Average 1947-51	14,618	5,034	2.90	6,928	4,377	1.58
1950	13,626	4,961	2.75	6,849	4,454	1.54
1951	14,969	5,064	2.96	6,643	4,661	1.43
1952	14,758	5,279	2.80	6,689	4,946	1.35
1953	14,323	5,398	2.65	6,325	5,068	1.25
1954 2/	14,501	5,400	2.69	5,839	5,000	1.17
		East North Central			West North Central	
Average 1947-51	23,503	11,212	2.10	35,611	18,405	1.93
1950	23,931	11,176	2.14	36,880	18,424	2.00
1951	27,273	11,394	2.39	40,988	19,692	2.08
1952	27,033	11,955	2.26	38,387	20,652	1.86
1953	25,882	12,163	2.13	38,163	20,789	1.84
1954 2/	25,990	12,200	2.13	40,663	20,900	1.95
		South Central			Western	
Average 1947-51	12,710	15,479	.82	21,961	14,487	1.52
1950	13,305	15,840	.84	22,116	14,452	1.53
1951	11,498	16,009	.72	21,632	15,408	1.40
1952	9,655	16,440	.59	22,781	15,803	1.44
1953	10,710	16,565	.65	24,616	15,903	1.55
1954 2/	10,047	16,000	.63	23,924	16,000	1.50

1/ Production plus farm stocks on May 1. 2/ Preliminary, based on October indications.

Hay prices vary widely by regions this year, reflecting the marked differences in supplies. In the North Central States hay prices are much lower than usual in relation to prices in the South and along the Atlantic seaboard. In mid-September average prices received by farmers for hay in an area centering around Minnesota, Iowa, and the Dakotas ranged from $13 to $19.00 per ton. On the other hand, in a number of Southern and Atlantic Coast States hay prices were above $30.00 per ton.

The average United States price received by farmers in mid-September was $22.00 per ton, $1.10 per ton higher than a year earlier. The price of hay probably will average a little higher than a year earlier during this winter and next spring, although in some areas the demand for hay and level of prices will be influenced to a considerable extent by the severity of the weather and by growing conditions for winter and early spring forage crops.

OUTLOOK FOR DEMAND AND PRICE

Livestock Production Increasing

The number of grain-consuming animal units on farms is expected to increase from 168 million animal units in 1953-54 to around 174 million in 1954-55. This would reverse the decline of the two preceding years and would bring the number back to about the postwar high reached in 1951-52. Most of this prospective increase is in hogs. Generally abundant feed supplies in recent years have been responsible for the increase in livestock numbers from the low postwar level of around 154 million units reached in 1947-48, but the number of animal units is still well below the 1943-44 record of 193 million.

The number of hogs to be fed during the 1954-55 feeding season is expected to increase nearly 10 percent. The 1954 spring pig crop was 13 percent larger than a year earlier and the fall pig crop is expected to be about 10 to 12 percent larger. A further moderate increase is expected in the spring pig crop of 1955, probably around 2 to 5 percent over that of 1954. This increase in hog production apparently is largely the result of the very favorable relationship between the prices of hogs and corn during 1953 and the first half of 1954. This increase follows the cutback in hog production in 1953, when hog production reacted to the unfavorable hog-corn ratio in late 1951 and 1952.

The number of beef cattle on farms is expected to be reduced slightly this year and the total number of cattle in 1954-55 probably will be a little smaller than a year earlier. Cattle feeding has been very heavy during the past two years, and is expected to continue so in 1954-55. The number of cattle on feed in the 3 Corn Belt States--Illinois, Iowa, and Nebraska, on October 1 was 3 percent smaller than a year earlier, but the number in California was 41 percent larger. While cattle feeding may not continue higher than a year earlier throughout the 1954-55 season, the total number grain-fattened probably will be close to the high level of the past two years.

The number of dairy cows on farms in June was slightly larger than a year earlier, following an upward trend in the preceding two years. The number is expected to be maintained at near the current level during 1954-55. The feeding of grains and other concentrates to dairy cows was at a record or near-record level during most of the 1953-54 feeding season and is expected to continue heavy, at least through the winter. The very poor condition of pastures and forage crops has contributed to heavier grain feeding in some areas.

Poultry production has been expanding during the past year and some further expansion is in prospect in the 1954-55 feeding season. The number of layers in farm flocks in January-October this year was about 4 percent larger than a year earlier, and about 2 percent more farm chickens were raised. The number of potential layers on October 1 was up 4 percent. Because of the unfavorable ratio this year between the price of feed and the price of chickens and eggs, some reduction is expected in the number of chickens to be raised in 1955. Turkey production increased fairly sharply in 1954, reaching a record level, about 9 percent larger than in 1953. Some reduction in the output of turkeys also is expected in 1955. Broiler production in 1954 is now expected to be about 6 to 8 percent larger than in 1953 and a further increase seems probable in 1955.

Feed Prices in 1954-55 Expected to Average Near the 1953-54 Level

The general level of feed prices in the 1954-55 feeding season is expected to average somewhere near that of 1953-54. Feed concentrate supplies are a little larger than last year, but most of the increase is in carryover stocks under price support. Furthermore, feed requirements will be higher and the general demand for feed is expected to continue fairly high during the coming year. In September the index of prices received for feed grains was 1 percent higher than a year earlier, and the index of prices paid by farmers for all feeds purchased was 3 percent higher. The general level of feed prices has declined in recent weeks and is expected to be seasonally low this fall. Feed prices are expected to advance later in the feeding season, following a somewhat similar pattern, as in 1953-54.

Corn prices declined during September and in the first week of October the price of No. 3 Yellow corn at Chicago averaged $1.57 per bushel, 10 cents lower than in early September, but about 10 cents higher than for the corresponding week of 1953. Corn prices this fall will be influenced by another large crop in the Corn Belt. Many Corn Belt producers are not eligible for price support and sales of corn into the commercial market are expected to be heavy at harvest time. Prices probably will again be well below the support level until this surplus corn is disposed of.

After the heavy movement of corn during the fall months, receipts are again expected to be below average and a tightening of commercial supplies is expected later in the marketing year. It probably will be necessary to withdraw stocks from the CCC inventory to meet domestic requirements later in the marketing year. Much less of the CCC stocks is old corn in danger of deterioration in quality, and it does not appear that a large volume of corn will be sold below the price support level, as was the case in 1953-54. This may result in corn prices advancing to or above the 1954 support price in the last half of the marketing season. In the past two years the price of corn has remained below the support level.

Prices of oats and barley were unusually low relative to corn prices during July-September this year, as the big crops of these grains were harvested. The average price received by farmers for oats during July-September was 68 cents per bushel, 7 cents below the national average support price, and 3 cents per bushel lower than a year earlier. The average price received for barley was $1.02 per bushel, 13 cents below the support price, and 10 cents per bushel lower than a year earlier. Average prices of both oats and barley during July-September were about 60 cents per hundred pounds lower than corn, which is an unusually wide spread between prices of these grains. The seasonal decline in corn prices this fall has resulted in a seasonal narrowing of this spread, but prices of oats and barley are expected to average lower than usual relative to corn during the 1954-55 feeding season. If the 1955 growing season is normal for oats and barley, prices of these grains probably will be relatively cheap again in 1955. The price of sorghum grains also has been a little lower this summer than last, reflecting the larger 1954 crop. The average price received by farmers for sorghum grains in September was $2.16 per hundred pounds, 12 cents below the national average support and 10 cents lower than a year earlier.

Prices of high-protein feeds this season also may not average greatly different from 1953-54, though rather marked differences in prices of individual feeds are expected. Reflecting the much larger supply of soybean meal in prospect, soybean meal prices have declined sharply since the high level reached this last summer, but they remained somewhat higher than a year earlier through the first half of October. The average price for the 1954-55 feeding season is expected to be somewhat lower than during the past feeding year. Last year prices were at a low level early in the season, then advanced sharply during the spring and summer, as crushings from the short 1953 soybean crop were inadequate to meet the strong demand resulting from increased hog and poultry production. While an increase in soybean meal prices seems probable again during 1954-55, they are not expected to advance to the levels reached this past summer.

The price of cottonseed meal is currently higher than a year earlier and probably will rise this winter and spring and average somewhat higher in the 1954-55 feeding year than in 1953-54. Hence the unusually high price of soybean meal relative to cottonseed meal, which prevailed during most of the past feeding season, is not expected to continue in 1954-55. In fact, based on present production prospects, it appears probable that soybean meal supplies will continue large in relation to cottonseed meal supplies through 1955-56, and soybean meal prices may be a little lower than average in relation to cottonseed meal prices.

Table 16.- Feed grains: Average prices on September 15 and support prices, 1952-54

Grain	Unit	Average price received by farmers September 15			National average support price for crop of:		
		1952	1953	1954	1952	1953	1954
		Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Corn	Bu.	1.71	1.50	1.53	1.60	1.60	1/1.62
Oats	Bu.	.84	.71	.71	.78	.80	.75
Barley	Bu.	1.43	1.12	1.05	1.22	1.24	1.15
Sorghum grain	Cwt.	3.02	2.26	2.16	2.38	2.43	2.28

1/ Full 90 percent support available to producers in commercial area who plant within their acreage allotments. The support in the noncommercial area is 75 percent of the 90 percent support rate.

Table 17.- Feed grains: Quantities placed under price support, United States, 1950-54 1/

Grain	Total for season				Through September 15	
	1950	1951	1952	1953	1953	1954
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Corn	54.1	26.2	417.9	471.2	---	---
Oats	15.0	13.1	21.7	56.0	19.4	33.7
Barley	30.6	16.9	9.9	45.2	9.0	34.0
Sorghum grain	60.3	14.9	3.7	45.5	2.9	12.5

1/ Placed under loan and purchase agreement.

Table 18.- Loan and delivery periods for 1953 and 1954 crops

Grain	Loans available from time of harvest through	Maturity date of loans 1/	Delivery months for most of the grain 1/
Corn	May 31	July 31	August-September
Oats	January 31	April 30	May-June
Barley	January 31	April 30	May-June
Sorghum grain	January 31	March 31	April-May

1/ Earlier maturity and delivery dates have been set for some areas.

Prospect for Livestock-Feed Price Ratios

The tightening of "free" supplies of corn and smaller supplies of some other feeds in the 1953-54 feeding season was accompanied by increased livestock production and livestock-feed price ratios became less favorable. The hog-corn price ratio was very favorable to the hog producers during most of 1953 and through the first half of 1954. In recent months, however, the decline in hog prices relative to corn prices has reduced the ratio to near the long-term average. In 1954-55, hog prices are expected to be somewhat lower relative to corn prices than in 1953-54. The ratio, however, is not expected to decline much, if any, below the 1933-52 average of 12.6.

The cost of poultry ration in 1953-54 averaged a little higher than in 1952-53, while prices of poultry and eggs were substantially lower. This resulted in prices of poultry and eggs being generally lower in relation to feed costs than for any other year since before World War II. Prices of poultry and eggs are expected to continue low in relation to feed prices during much of the 1954-55 season. The prices of milk and butterfat also were below average relative to the cost of dairy ration during 1953-54, and they are expected to continue comparatively low during 1954-55. Dairymen's costs also have been increased in some areas by the poor condition of pastures, which has required greater than usual feeding of shipped-in hay and feed concentrates.

Prices for beef cattle are likely to stay close to the level that has prevailed since the middle of 1953. Prices of higher grade fed cattle give promise of maintaining roughly their level of the past spring. This would afford fairly satisfactory profits in feeding though less than were earned the past year, because prices for feeder cattle are higher this fall than last.

GOVERNMENT PROGRAMS AND REGULATIONS RELATING TO FEEDS

Price Supports on 1954 and 1955 Feed Grains

On October 1, the Secretary of Agriculture announced that the national average support rate for 1954 corn would be based on $1.62 per bushel, or 90 percent of the September 15 parity price. This is slightly higher than in 1952 and 1953, when the average support rate was $1.60 per bushel. Loans and purchase agreement contracts will be available to producers from time of harvest through May 31, 1955, and will mature on July 31, 1955. Since acreage allotments were established for the 1954 crop, the full 90 percent support is available only to producers in the commercial corn area who planted within their corn acreage allotments. The support in the noncommercial area is 75 percent of the 90 percent support level for the area.

The national average support price for oats is 75 cents per bushel, for barley $1.15 per bushel, and for sorghum grains, $2.28 per hundred pounds. The price supports for the 1954 crops of these grains were based on 85 percent of parity when the supports were announced in the fall of 1953. These rates are 6 or 7 percent below the 1953 rates, reflecting a reduction in parity prices, which have been on a transitional basis in recent years.

The support price for the 1955 corn crop will fall within a range of 82½ to 90 percent of the parity price at the beginning of the marketing year, depending on the supply percentage, as provided for in the Agricultural Act of 1954. Assuming that acreage allotments again will be in effect in 1955, the full support will be available to eligible producers in the commercial area. The level of support will depend upon the total supply of corn in 1955-56. Based on present carryover prospects and assuming an average growing season next year, the supply probably would be a little above the normal supply and the minimum support price a little less than 90 percent of parity. The actual percentage, of course, will depend upon the supply of corn available next year, which in turn depends on weather conditions and changes in prospect for the carryover on October 1, 1955. Support prices for oats, barley, and sorghum may be established by the Secretary at any level not in excess of 90 percent of parity. Support rates have not yet been announced for these crops.

Large Volume of 1953 Feed Grains Placed Under Price Support

The total tonnage of the 4 feed grains placed under price support in 1953-54 was 16.2 million tons, 2.2 million tons more than in 1952-53, and the largest since the record of 18.1 million in 1948-49. It is estimated that a substantial part of the 4 feed grains placed under loan and purchase agreement (table 17) will be delivered to CCC or resealed for loan. The 56 million bushels of oats placed under price support was the largest on record and the 45 million bushels of barley was second only to the 49 million bushels from the 1948 crop. The quantity of sorghum grains placed under price support was larger than in any other year except 1949 and 1950, and was equivalent to about 42 percent of the 1952 crop. Somewhat larger quantities of oats, barley, and sorghum grains and somewhat less corn may be placed under price support during the current year than in 1953-54. While the total is again expected to be fairly large, it may fall somewhat below the high level of the past two years.

Sales of Feed Grains by CCC

During the 1953-54 marketing year the Commodity Credit Corporation sold about 176 million bushels of corn for domestic use and 26 million for export. A large part of the corn sold to domestic consumers was 1948 and 1949 corn which was sold below the support level because it was in danger of deterioration in quality. Stocks of 1948 and 1949 corn are now practically depleted, and CCC has much less low quality corn than a year ago.

Sales of Dried Skim Milk by CCC Total 573 Million Pounds

A total of approximately 573 million pounds of non-fat dry milk owned by the Commodity Credit Corporation was sold for use in poultry and livestock feeds under the program which began May 3 and ended on August 31. The sale price was 3.5 to 4 cents per pound delivered to feed processors. The program was designed to aid in meeting protein feed requirements during the summer, when soybean meal production was considerably smaller than in other recent years. The sales were discontinued on August 31, but deliveries against these sales continued after that date with the provision that the dried milk purchased would be used in mixed feed before November 1, 1954.

The 1954 Emergency Feed Grain Program

The President announced on August 2 a new drought emergency feed program under which the Government would bear part of the cost of the feed purchased by eligible farmers and ranchers in designated counties and States in the drought disaster area. On October 12, 869 counties in 15 States had been listed as drought disaster areas. Under this program the Department of Agriculture is making CCC grain--corn, oats, barley, or sorghum grain--available through established feed and grain dealers. The grain is purchased by the farmer in the open market at prevailing prices, but a special assistance allowance enables farmers and ranchers to obtain the feed grains at reduced cost. This allowance was 60 cents per hundred pounds below the prevailing local sale price during August and through the first half of September. The Secretary's announcement of September 15 increased this allowance to $1.00 per hundred pounds. Farmers may purchase the approved quantity of feed grains from their dealers as grain, or same quantity in designated feed mixtures containing specified quantities of the feed grains named above. Under this program purchase orders representing about 350,000 tons of grains had been issued to farmers through October 7.

A Federal-State hay program also is in operation, under which the Department of Agriculture cooperates with participating States in defraying the transportation costs of hay to the extent of $10.00 per ton, or not more than half the transportation rate, into the designated drought area. In addition to Government aid in this program, most of the railroads agreed to a 50 percent cut in freight rates on shipment of hay into the drought area for the period from about October 1 through December 15. By the end of September, agreements for hay distribution under the program had been arranged with 15 States.

Total Acreage Allotments Eliminated from 1955 Program; Cross-compliance Feature Retained

The Secretary of Agriculture announced on September 15 that the "total acreage allotment" provision previously announced in the 1955 program would be eliminated. This was done to permit increased flexibility in farm operations and permit farmers in the drought areas to increase feed production. The elimination of this provision makes farmers and ranchers, who comply with their individual crop allotments, generally free to plant the rest of their land in any feed crops they desire without loss of price support eligibility.

Compliance with all individual crop allotments--the cross-compliance principle--however, will still be a condition for price support eligibility. There are allotments now on wheat, cotton, corn, peanuts, and major types of tobacco. This provision of the program will make it necessary for a farmer producing two or more crops, under which acreage allotments are effective, to comply with his acreage allotments for each crop in order to be eligible for price support for any crop. He also is required to comply with all his acreage allotments on his crops in order to be eligible to receive any payments under the Soil Conservation and Domestic Allotment Act. These provisions probably will have the effect of increasing the number of farmers in the commercial corn area who comply with their corn acreage allotments.

PROVISIONS OF THE AGRICULTURAL ACT OF 1954 RELATING TO FEED GRAINS

The Agricultural Act of 1954 passed by Congress in August contains a number of provisions which have a bearing on corn and other feed grains. Some of the more important of these relating to corn are as follows:

1. The Act eliminates the corn marketing quota provisions of previous legislation.

2. The definition of "normal supply of corn" is amended, increasing the carryover allowance from 10 to 15 percent of domestic consumption and exports.

3. Mandatory price support at 90 percent of parity will expire with the 1954 crop, and flexible price floors ranging from 75 percent to 90 percent of parity, according to supply conditions, will go into effect, except that for the 1955 crop the minimum level of price support will be 82½ percent of parity.

4. The Act also provides for a gradual transition from the old to the modernized parity at the rate of 5 percent per year beginning with January 1, 1956, until the modernized parity level is reached.

Marketing Quotas for Corn Eliminated; Acreage Allotments Retained As a Requisite for Price Support

The Agricultural Act of 1954 repealed the marketing quota provisions for corn of the previous Agricultural Acts, beginning with the 1955 crop. However, acreage allotments as provided for in previous legislation will continue to be a requisite to eligibility for price supports in the commercial corn-producing area. The size of the acreage allotments is based on the acreage of corn required, with average yields, to give a "normal supply."

The carryover allowance used in determining the "normal supply" was raised from 10 to 15 percent of "normal domestic consumption and exports." The "normal supply" is used as a basis for determining acreage allotments, as well as in computing the supply percentage on which the level of price support is based. The acreage allotment of corn for any calendar year is that acreage in the commercial corn-producing area which, on the basis of average yield, will produce an amount of corn in such area as the Secretary determines will, together with corn produced outside of the area or imported, make available a supply for the marketing year beginning in such calendar year, equal to the "normal supply." This determination is made by first computing the normal supply for the marketing year, and deducting from this an allowance for imports and the expected carryover into the year. The remainder is the production needed in the commercial and noncommercial area to give a normal supply. The 5 percent increase in carryover allowance, based on current levels of domestic consumption and exports, would raise the carryover allowance by around 150 to 160 million bushels, making the total carryover allowance around 450 to 480 million bushels. This increase in carryover allowance would permit about 3 or 4 million acres more of corn to be planted in the commercial area than under previous legislation. It would also give a little lower supply percentage and a little higher price support level.

The Act also provides for a change in the number of years used for determining the "normal yield" of corn in computing the national acreage allotment. Under the previous acts, the "normal yield" of corn for any county or farm in the commercial area was the average for the 10 preceding years adjusted for abnormal weather conditions and trends in yield. The new Act reduces the number of years used in computing the "normal yield" to the 5 preceding years and eliminates the provision for adjustments in trend. But the provision for adjustment for abnormal weather is retained.

The period used as a basis for apportioning the national corn acreage allotments among the counties in the commercial area also was reduced from the 10 years immediately preceding the year for which the apportionment is being made to the 5 preceding years. Provisions for adjustments for abnormal weather and for trends in acreage planted to corn are retained.

Flexible Price Supports

Under the 1954 Act, the minimum level of price supports for corn after 1955 will vary from 75 to 90 percent of parity, according to supply conditions. For the 1955 crop, the price support can not be below 82½ percent of parity. If the estimated supply of corn for the crop year is not more than 102 percent of the normal supply, the support price will be 90 percent of parity. The support price will be reduced 1 percentage point for each 2 points the supply percentage is above 100 percent of the normal supply, until when the actual supply exceeds 130 percent of normal it is 75 percent of parity.

Transition to Modernized Parity

The new legislation also allows modernized parity for corn to go into effect gradually. The transition from the old parity to the modernized parity will be at the rate of 5 percent of the old parity price per year beginning with January 1, 1956. Modernized parity retains the 1910-14 base for the general level of parity prices for Agricultural Commodities. However, parity prices for individual commodities are related to one another on the basis of the relationships among actual prices in the preceding 10 calendar years. Since corn prices have averaged lower during the past 10 years, relative to the 1910-14 base, than the index of prices received by farmers for all farm products, the modernized parity for corn, is below the old parity. In mid-September the parity price of corn computed on the old basis was $1.80 per bushel, while the modernized parity was $1.60 per bushel, or 11 percent lower. The support price for the other feed grains is already based on the modernized parity, except for sorghum grains, which is still transitional. The transition period for these grains started on January 1, 1950.

Sale of CCC Feed Grains

The Act also contains a provision authorizing Commodity Credit Corporation to sell feed grains owned by it at the point of storage at the current price support plus 10 percent. The CCC is authorized to make sales at this level until March 1, 1955. After that time, the sale price for feed grains will be 5 percent above the current support level plus reasonable carrying charges.

Adjustments in Acreage Allotment Because of Emergency or Export Demand

If the Secretary has reason to believe that, because of national emergency or because of a material increase in export demand, the national acreage allotment for corn should be increased or terminated, he shall cause an immediate investigation to be made. If the Secretary, on the basis of this investigation, finds that increase or termination is necessary, he shall immediately proclaim such finding and the increase or termination of the allotment shall be made.

Farmers Must Comply With All Acreage Allotments to be Eligible for Soil Conservation Payments

The 1954 Act carries provisions that require a farmer to comply with his acreage allotment for corn and all other basic crops to be eligible for soil conservation payments. The Act states that "any person who knowingly harvests any basic agricultural commodity on his farm which has been determined by the Secretary to be in excess of the farm acreage allotment for such commodity--shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act."

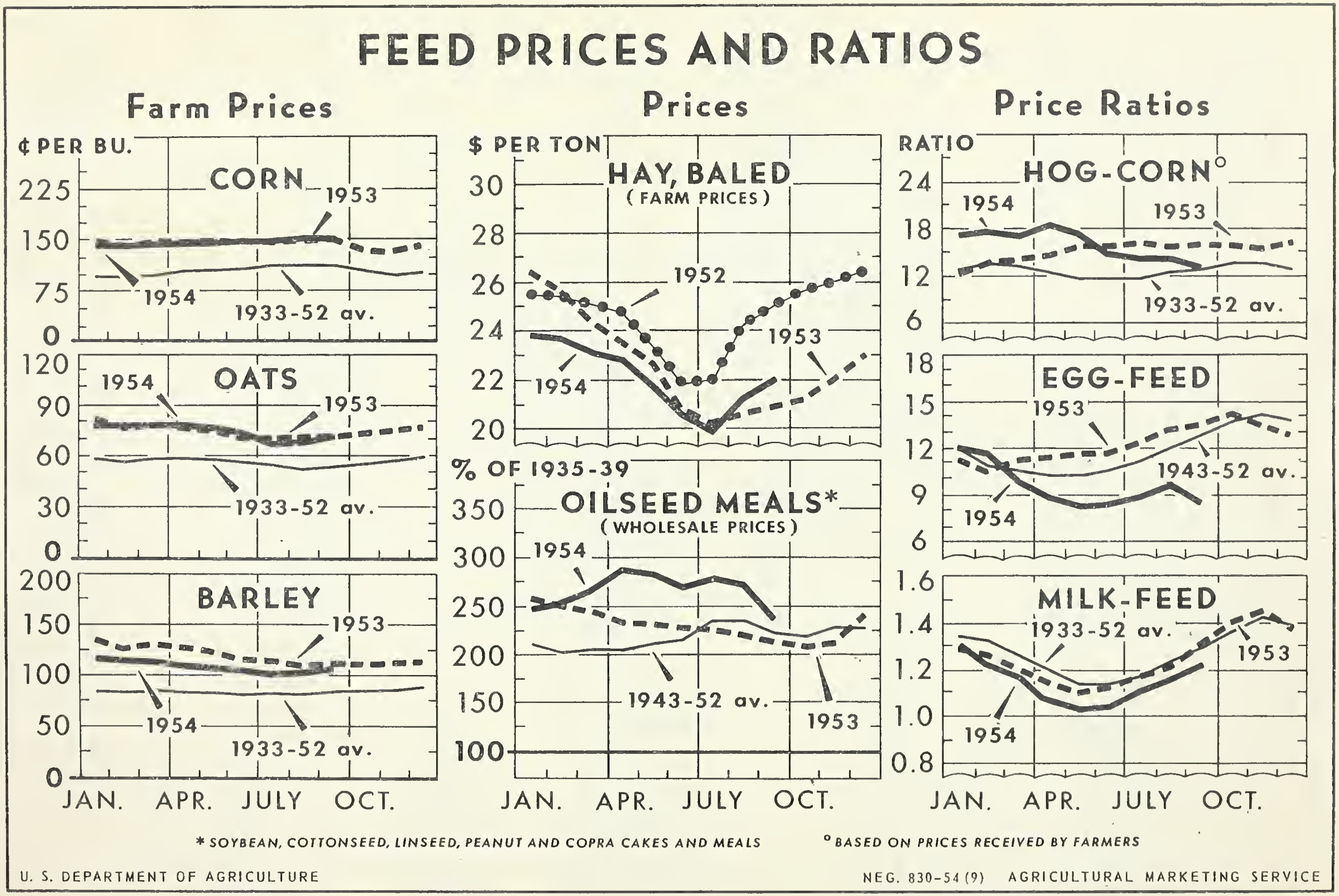
Table 19.- Production, stocks, and foreign trade in byproduct feeds, foreign trade in feed grains, and corn and barley processing, July and August 1954, with comparisons 1/

Commodity	Production July 1953	Production Aug. 1953	Production 1954 June	Production 1954 July	Production 1954 Aug.	Stocks 2/ Aug.1 1953	Stocks 2/ Sept.1 1953	Stocks 2/ 1954 July 1	Stocks 2/ 1954 Aug.1	Stocks 2/ 1954 Sept.1
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Byproduct feeds 3/										
Cottonseed cake and meal	75.7	86.4	126.7	103.2	121.3	4/91.5	4/69.9	4/198.1	4/203.3	4/188.9
Soybean cake and meal	387.6	445.0	364.5	368.1	354.5	118.4	102.3	166.9	175.2	150.7
Linseed cake and meal	24.2	41.9	40.8	46.5	63.7	20.2	16.8	24.6	29.4	38.0
Peanut cake and meal	3.2	3.0	5.2	5.2	3.6	2.0	1.5	3.6	3.3	2.0
Copra cake and meal	8.4	9.9	10.3	9.3	8.4	5.5	6.3	4.2	5.2	5.0
Total	499.1	586.2	547.5	532.3	551.5	237.6	196.8	397.4	416.4	384.6
Corn gluten feed and meal	70.8	77.1	74.9	72.8	76.9	5/	5/	5/	5/	5/
Brewers' dried grains	21.9	25.7	25.6	22.9	20.6	6.8	7.4	4.1	3.8	4.1
Distillers' dried grains	13.6	13.4	21.2	16.1	15.2	1.2	1.2	4.7	4.8	3.9
Wheat millfeeds	371.1	364.6	363.5	362.0	372.9	5/	5/	5/	5/	5/
Rice millfeeds	6.5	18.2	12.7	13.0	25.4	5/	5/	5/	5/	5/
Alfalfa meal	187.1	158.7	208.0	210.5	169.2	231.9	289.3	164.4	254.2	309.3
Fish meal	49.9	40.5	42.4	49.8	34.3	5/	5/	5/	5/	5/
Dry or powdered skim milk	1.0	1.0	1.6	1.0	.6	5/	5/	5/	5/	5/

Commodity	Foreign trade Imports June 1953	Imports July 1953	Imports 1954 May	Imports 1954 June	Imports 1954 July	Exports June 1953	Exports July 1953	Exports 1954 May	Exports 1954 June	Exports 1954 July
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Cottonseed cake and meal	2.8	6.1	8.9	4.8	4.7	6.7	18.2	3.7	.6	2.5
Soybean cake and meal	.8	.2	1.9	3.7	1.4	2.8	4.3	3.8	2.4	1.4
Linseed cake and meal	1.5	.3	.2	6/	0	6/	0	.2	.6	2.3
Peanut cake and meal	0	6/	0	0	.2	0	0	0	0	0
Copra cake and meal	8.6	9.0	6.7	8.6	8.3	0	0	0	0	6/
Total	13.7	15.6	17.7	17.1	14.6	9.5	22.5	7.7	3.6	6.2
Wheat millfeeds	28.6	26.5	21.8	31.2	21.8	6/	.1	.3	6/	.1
Fish meal	13.7	9.1	15.8	10.9	13.6	5/	5/	5/	5/	5/
Tankage	.9	1.4	.9	3.3	2.4	5/	5/	5/	5/	5/
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Feed grains 3/										
Corn, including meal	64	60	82	135	74	11,939	9,381	7,101	5,098	5,096
Oats, including oatmeal	4,503	7,136	6,688	4,820	2,839	327	452	118	209	217
Barley, including malt	1,726	2,423	3,849	3,142	2,825	1,018	959	872	2,703	5,076
Sorghum grain	5/	5/	5/	5/	5/	360	529	1,023	2,712	4,806

Commodity	Grain processing or use 1953 June	1953 July	1953 August	1953-54 May	1953-54 June	1953-54 July	1953-54 Aug.
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Corn							
Wet-processing	11,033	9,773	10,629	10,263	10,326	10,042	10,609
Distilled spirits and alcohol	1,633	1,306	1,216	2,105	1,972	1,296	7/1,290
Barley							
Malt liquors	7,616	8,649	8,158	7,389	8,198	7,988	7/7,207
Distilled spirits and alcohol	395	306	294	499	468	301	7/ 298

1/ Data compiled from reports of the Bureau of the Census, Agricultural Marketing Service, Fish and Wildlife Service of the Department of the Interior, and Price, Waterhouse, and Company, New York. 2/ At processors' plants. 3/ October-September year for all items except oats and barley, which is July-June. 4/ The CCC owned 244,800 tons on August 1, 1953; 45,700 tons on September 1, 1953; 86,400 tons on July 1, 1954; and none on August 1 or September 1, 1954. 5/ Not reported. 6/ Less than 50 tons. 7/ Preliminary.



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